



**State of Iowa
Iowa Department of Education
Division of Community Colleges
Grimes State Office Building**

**Career and Technical Student Organizations Financial Guidelines
Approved 12/16/10**

The United States Department of Education (USDOE) has endorsed Career and Technical Student Organizations (CTSOs) as a critical component of an effective Career and Technical Education (CTE) program. The responsibility for CTE instructional programs and related activities, including CTSOs, rests with state and local education agencies.

I. OVERVIEW

CTSOs are defined in the Federal Carl D. Perkins Career and Technical Education Improvement Act of 2006, Section 3 as follows:

Career and Technical Student Organization

(A) In general – The term ‘career and technical student organization’ means an organization for individuals enrolled in a career and technical education program that engages in career and technical education activities as an integral part of the instructional program.

(B) State and National Units – An organization described in subparagraph (A) may have state and national units that aggregate the work and purposes of instruction in career and technical education at the local level.

State charters for Iowa CTSOs are held by the Iowa Department of Education (DE), which has responsibility for leadership and fiscal oversight of each organization, as well as integration of CTSO activities into CTE programs. The following CTSOs are sponsored by the DE:

BPA	Business Professionals of America (Business)
DECA	(Marketing)
FBLA	Future Business Leaders of America (Business)
FCCLA	Family, Career and Community Leaders of America (Family and Consumer Sciences)
FFA	Agriculture)
HOSA	Health Occupations Students of America (Health Occupations)
SkillsUSA	(Industrial Technology)
TSA	Technology Student Association (Industrial Technology)
Collegiate DECA	(Marketing)
PAS	Post Secondary Agriculture Students (Agriculture)
PBL	Phi Beta Lambda (Business)

II. OVERSIGHT POLICY

Unless otherwise determined by the Administrator for the Division of Community Colleges and Workforce Preparation, a DE Career and Technical Education (CTE) Service Area Consultant staff member shall serve as the representative to provide oversight for one or more CTSO(s).

The Board of Directors of each CTSO shall adopt and implement Constitution, Bylaws, and Policies for the efficient operation and fiscal management of the CTSO. DE CTE Service Area Consultant staff shall not be involved in the day-to-day operations (membership dues, finances, conference registration) of a CTSO except for administrative leadership of the Board of Directors and to review CTSO expenditures.

DE CTE Service Area Consultant staff shall:

- Serve in the capacity of the state advisor for the CTSO (terminology may differ in each CTSO)
- Serve as the Department's liaison to the state CTSO Board of Directors
- Provide for the oversight, including guidance and monitoring, of the state organization
- Provide for the oversight, including guidance and monitoring, of the state organization's finances
- Provide for oversight, including guidance and monitoring, of the development and implementation of state leadership development activities for students enrolled in related career and technical education programs.
- Monitor contractual services to carry out the organization's program of work
- Disseminate to Department bureau and division administration annual reports on state membership, state activities conducted, and the financial status of the state organization.
- Serve as the liaison to the national organization
- Provide for the oversight of the organization's participation in national activities

III. FINANCIAL ACCOUNTABILITY

DE CTE Service Area Consultant staff shall monitor for fiscal compliance and verify that requirements are met in order for the CTSO to receive Federal Perkins Grant Program (Perkins) funds. The DE CTE Service Area Consultant shall require reports and other forms of documentation be submitted to verify Perkins-related expenditures were allowable. The DE CTE Service Area Consultant shall follow up on any reports that are not submitted by the CTSO.

- A. Each CTSO Board of Directors shall be responsible for ensuring financial accountability and shall implement checks and balances in order to accomplish the organization's purposes. Regular meetings shall be held and minutes of the meetings shall be maintained by the CTSO Board of Directors. Each CTSO Board of Directors shall review and approve monthly, or no less than quarterly, financial reports of cash disbursements and payments. The Board, or its designee, shall review monthly bank and/or financial statements and reconciliations to ensure the propriety of the account activity.
- B. Each CTSO shall submit to the DE CTE Service Area Consultant staff monthly, or no less than quarterly, financial reports of cash disbursements and payments as well as the ending cash balance (see attachment – Required Components of Financial Reports for CTSO Financial Oversight). All expenditures related to different sources of funds need to follow the specific objectives identified in the source (if specified, i.e. grant). In addition, the CTSO shall provide a copy of a year-end financial report (revenues versus expenditures, including beginning and ending cash balance). The DE CTE Service Area Consultant shall review these financial reports with the assistance of the Community College Finance Consultant and reserves the right to request supporting documentation for any part of this financial information. Upon completion of the review, the assigned CTE Service Area Consultant shall document the date of review, sign, and store the reports at the DE per the Grant Agreement.

- C. All expenditures shall be tied to the mission and goals of the organization. Each CTSO shall utilize an expense reimbursement form which shall include the following pieces of information:
- The entity or person making the request
 - The date of the request
 - The amount of the request
 - The purpose of the expenditure(s)
 - Itemized list of the requested reimbursements, including original receipts that identify amount requested
 - Signature of the requestor
 - Approval by a CTSO Board member or Board designee
- D. CTSOs shall have policies prohibiting the disbursement of currency.
- E. All CTSO checks shall be serially pre-numbered and accompanied by appropriate supporting documents as required in the organization's Bylaws/Policies. Only the designated CTSO representative shall have authorization to sign checks.
- F. DE CTE Service Area Consultant staff shall not have authorization to sign CTSO checks.
- G. Travel expenses
1. All receipts for CTSO entertainment, meals, hotel, and other travel-related expenses shall be required to receive reimbursement.
 2. Meals, mileage, and lodging shall be reimbursed at no more than the State of Iowa Department of Administrative Services' Board and Commission member rates unless prior approval is given by the CTSO Board of Directors.
 3. When meals are provided at no charge for all participants, neither CTSO participants nor DE CTE Service Area Consultant staff may claim reimbursement for those meals.
 4. Any CTSO-related travel reimbursements issued to DE CTE Service Area Consultant staff shall be noted in the CTSO's monthly (or quarterly) financial reports submitted to DE.
- H. Credit cards
1. For CTSOs that have credit cards, itemized credit card statement(s) shall be submitted monthly or no less than quarterly to the CTSO Board of Directors.
 2. Each CTSO shall adopt a policy that limits the use of a CTSO-owned card to legitimate organizational expenses. Use of a CTSO credit card for non-organizational or personal expenses is prohibited.
 3. Copies of receipts shall accompany all statements and/or payment vouchers before reimbursements can be approved. The Board of Directors shall approve credit card payments.
 4. Assignment of a CTSO corporate credit card to DE CTE Service Area Consultant staff is prohibited. If authorized expenses are incurred by DE CTE Service Area Consultant staff, personal credit cards may be used and reimbursement claimed on an expense voucher with approval obtained by the DE CTE Service Area staff member's DE Supervisor and then submitted to the CTSO organization.
 5. Use of debit cards by CTSOs is prohibited.
- I. Each CTSO shall be responsible for complying with all federal and state regulations and tax reporting.
- J. All sources of revenue shall be accounted for and reported on separately. This includes, but is not limited to, grant funds, membership dues, and fundraising activities.
- K. The CTSO shall keep copies of all bank statements. Copies of any credit card statements and the supporting invoice for any purchases made by credit card shall also be maintained and attached to the credit card statement when it is received. Financial records need to be kept according to the CTSOs auditing practices.

- L. The CTSO shall maintain a record of all meetings (i.e., minutes), as well as policy and procedure manuals.

IV. DE COORDINATION

- A. Membership dues shall not be received or processed by DE CTE Service Area Consultant staff.
- B. If the CTSO Board of Directors authorizes a private post office box for the organization, DE CTE Service Area Consultant staff shall not have access to or responsibility for the box.

V. RECOMMENDED PRACTICES

- A. It is recommended that a formalized agreement between a third party, such as an Iowa Community College, and CTSO be in place regarding the financial arrangements.
- B. It is recommended that the CTSO's financial person be bonded.

Appendix: Required Components of Financial Reports for CTSO Financial Oversight

Reference: CTSO - A Reference Guide 2008

End of Fiscal Year Reporting

Required Components of Financial Reports For CTSO Financial Oversight

Income Statement

This report must document all revenue and expenditures for the fiscal year. The report must be itemized by respective income and expense categories.

List of Expenditures

An itemized listing of all expenditures encumbered during the fiscal year.

Budget

A summary of the intended revenues and expenditures. Budget categories shall match the categories identified in the revenue and expenditure statements. The budget must be divided into the same categories as the income statement and must include estimates of revenues and expenditures for each line item for the fiscal year.

Balance Sheet

A summary of the organization's financial balances, including the organization's respective assets, liabilities, and ownership equity for the fiscal year (i.e., an itemized listing of all cash, property, and liabilities held by the entity).

Request for Reimbursement

The request form should identify the following:

- The entity or person making the request
- The date of the request
- The amount of the request
- The purpose of the expenditure(s)
- Itemized list of the requested reimbursements, including original receipts that identify amount requested
- Signature of the requestor
- Approval by a CTSO Board member or Board designee

Copies of Bank Statements/Financial Statements

At least quarterly, the CTSO Board members shall be provided with copies of bank statements and/or financial reports from the third party's accounting system.

It is the policy of the Iowa Department of Education not to discriminate on the basis of race, creed, color, sexual orientation, gender identity, national origin, sex, disability, religion, age, political party affiliation, or actual or potential parental, family or marital status in its programs, activities, or employment practices as required by the Iowa Code sections 216.9 and 256.10(2), Titles VI and VII of the Civil Rights Act of 1964 (42 U.S.C. § 2000d and 2000e), the Equal Pay Act of 1973 (29 U.S.C. § 206, et seq.), Title IX (Educational Amendments, 20 U.S.C. §§ 1681 – 1688), Section 504 (Rehabilitation Act of 1973, 29 U.S.C. § 794), and the Americans with Disabilities Act (42 U.S.C. § 12101, et seq.).

If you have questions or complaints related to compliance with this policy by the Iowa Department of Education, please contact the legal counsel for the Iowa Department of Education, Grimes State Office Building, Des Moines, IA 50319-0146, telephone number 515/281-5295, or the Director of the Office for Civil Rights, U.S. Department of Education, Citigroup Center, 500 W. Madison, Suite 1475, Chicago, IL 60661, phone number 312/730-1560, fax 312/730-1576.